

CITY OF BLOOMFIELD, IOWA

INDEPENDENT AUDITOR'S REPORTS  
BASIC FINANCIAL STATEMENTS AND  
SUPPLEMENTARY AND OTHER INFORMATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2012

CITY OF BLOOMFIELD, IOWA

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CITY OF BLOOMFIELD, IOWA

OFFICIALS  
JUNE 30, 2012

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Chris Miller	Mayor	January 2014
Jeff Anderson	Mayor Pro Tem	January 2013
Jeff Anderson	Council Member	January 2014
Leah Howk	Council Member	January 2014
Jerry Kincart	Council Member	January 2016
Jack Woolard	Council Member	January 2016
Earl Howard	Council Member	January 2016
Carol Taylor	Clerk/Treasurer	Indefinite
Michael Moreland	Attorney	January 2013

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members  
of the City Council:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Bloomfield, Iowa, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements listed in the table of contents. These financial statements are the responsibility of the City of Bloomfield, Iowa's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

As described in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Bloomfield, Iowa as of June 30, 2012, and the respective changes in cash basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated March 11, 2013 on our consideration of the City of Bloomfield, Iowa's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bloomfield, Iowa's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the seven years ended June 30, 2011 (which are not presented herein) and expressed unqualified opinions on those financial statements which were prepared in conformity with an other comprehensive basis of accounting. The financial statements for the two years ended June 30, 2004 (which are not presented herein) were audited by other auditors. The other auditors expressed unqualified opinions on those financial statements which were prepared in accordance with an other comprehensive basis of accounting. The supplementary information included in Schedules 1 through 4, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bloomfield, Iowa's basic financial statements. Management's Discussion and Analysis and the budgetary comparison information on pages 4 through 8 and 21 through 23 are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

ANDERSON, LARKIN & CO. P.C.

Ottumwa, Iowa  
March 11, 2013

# **CITY OF BLOOMFIELD, IOWA**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **JUNE 30, 2012**

The City of Bloomfield, Iowa provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2012. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

#### **2012 FINANCIAL HIGHLIGHTS**

- Receipts (including transfers) from the City's governmental activities decreased 4.2% or \$133,294 from fiscal year 2011 to fiscal 2012.
- Disbursements of the City's governmental activities decreased 22.2% or \$756,206 from fiscal 2011 to fiscal 2012. Community and economic development expenditures decreased \$89,967, public works disbursements increased \$181,197, and capital projects disbursements decreased \$841,980.
- The City's total cash basis net assets increased 32.3% or \$865,829 from June 30, 2011 to June 30, 2012. Of this amount, the net assets of the governmental activities increased \$375,609 and the net assets of the business type activities increased by \$490,220. This increase is due primarily to a decrease in capital project expenditures.

#### **USING THIS ANNUAL REPORT**

The annual report consists of a series of financial statements and other information as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the City's financial activities.

The Government-wide Financial Statement consists of a Statement of Activities and Net Assets - Cash Basis. This statement provides information about the activities of the City as a whole and presents an overall view of the City's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the City's operation in more detail than the government-wide statement by providing information about the most significant funds.

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Other Information further explains and supports the financial statements with a comparison of the City's budget for the year.

Supplementary Information provides detailed information about the non-major governmental funds and the City's indebtedness. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting the City.

#### **Basis of Accounting**

The City maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

## REPORTING THE CITY'S FINANCIAL ACTIVITIES

### *Government-wide Financial Statement*

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Activities and Net Assets - Cash Basis reports information that helps answer this question.

The Statement of Activities and Net Assets - Cash Basis presents the City's cash basis net assets. Over time, increases or decreases in the City's net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities and Net Assets - Cash Basis is divided into two kinds of activities:

- Governmental Activities include public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service and capital projects. Property tax and state and federal grants finance most of these activities.
- Business Type Activities include the water, sewer, electric and gas funds. These activities are financed primarily by user charges.

### *Fund Financial Statements*

The City has three kinds of funds:

- 1) Governmental funds account for most of the City's basic services. These focus on how money flows into and out of those funds, and the balances at year-end that are available for spending. The governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, such as Employee Benefits and Other TIF, 3) the Debt Service Fund, 4) the Capital Projects Funds and 5) the Permanent Funds. The governmental fund financial statements provide a detailed, short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

The required financial statement for governmental funds is a Statement of Cash Receipts, Disbursements and Changes in Cash Balances.

- 2) Proprietary funds account for the City's Enterprise Funds. Enterprise Funds are used to report business type activities. The City maintains four enterprise Funds to provide separate information for the water, sewer, electric and gas funds, all four are considered to be major funds of the City.

The required financial statement for proprietary funds is a Statement of Cash Receipts, Disbursements and Changes in Cash Balances.

- 3) Fiduciary funds are used to report assets held in a trust or agency capacity for other which can not be used to support the City's own programs. These fiduciary funds include Trust funds that account for Drug Awareness Resistance Education and Library Memorial to name a few.

The required financial statement for fiduciary funds is a Statement of Changes in Cash Balances.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of financial position. The City's cash balance for governmental activities increased from a year ago, increasing from \$393,810 to \$769,419. The analysis that follows focuses on the changes in cash basis net assets of governmental activities.

## Changes in Cash Basis Net Assets of Governmental Activities

	Year Ended June 30,	
	<u>2012</u>	<u>2011</u>
<b>Receipts and transfers:</b>		
Program receipts:		
Charges for service	\$ 345,612	\$ 317,928
Operating grants, contributions and restricted interest	787,950	554,527
Capital grants, contributions and restricted interest	258,214	393,938
General receipts:		
Property tax	766,138	742,459
Tax increment financing	349,999	331,049
Local option sales tax	193,214	200,231
Other general receipts	16,151	27,482
Transfers, net	315,845	598,803
<b>Total receipts and transfers</b>	<b><u>3,033,123</u></b>	<b><u>3,166,417</u></b>
<b>Disbursements:</b>		
Public safety	705,974	700,429
Public works	867,334	686,137
Culture and recreation	360,449	399,727
Community and economic development	117,653	207,620
General government	146,189	117,912
Capital projects	459,915	1,301,895
<b>Total disbursements</b>	<b><u>2,657,514</u></b>	<b><u>3,413,720</u></b>
Net change in cash basis net assets	375,609	(247,303)
Cash basis net assets beginning of year	<u>393,810</u>	<u>641,113</u>
Cash basis net assets end of year	\$ <u><u>769,419</u></u>	\$ <u><u>393,810</u></u>

The City's total receipts and transfers for governmental activities decreased 4.2% or \$133,294. Excluding transfers, receipts increased \$149,664 or 5.8% from the prior year. The increase in receipts was primarily the result of proceeds from grants received by the City during the current year.

The total cost (disbursements) of all programs and services decreased by \$756,206 or 22.2%. The decrease in disbursements was primarily the result of less expenditures for capital projects during the current year.



## Changes in Cash Basis Net Assets of Business Type Activities

	Year Ended June 30,	
	<u>2012</u>	<u>2011</u>
<b>Receipts:</b>		
Program receipts:		
Water	\$ 855,810	\$ 822,385
Sewer	555,957	533,601
Electric	3,255,401	3,223,596
Gas	894,332	1,086,074
General receipts:		
Unrestricted interest on investments	17,373	20,552
Other general receipts	56,956	49,541
<b>Total receipts</b>	<b><u>5,635,829</u></b>	<b><u>5,735,749</u></b>
<b>Disbursements and transfers:</b>		
Water	738,975	747,974
Sewer	328,807	280,492
Electric	2,956,466	2,778,528
Gas	805,516	870,701
Transfers	315,845	598,803
<b>Total disbursements and transfers</b>	<b><u>5,145,609</u></b>	<b><u>5,276,498</u></b>
Net change in cash basis net assets	490,220	459,251
Cash basis net assets beginning of year	<u>2,288,086</u>	<u>1,828,835</u>
Cash basis net assets end of year	\$ <u>2,778,306</u>	\$ <u>2,288,086</u>

Total business type activities receipts for the fiscal year decreased \$99,920 or 1.7%. The decrease in receipts was primarily the result of a decrease in gas collections.

Total business type activities disbursements and transfers decreased \$130,889 or 2.5%. Excluding transfers, disbursements increased \$152,069 or 3.3% from the prior year. This resulted primarily from an increase in purchased electricity by the Electric Fund.

### INDIVIDUAL MAJOR GOVERNMENTAL FUND ANALYSIS

As the City of Bloomfield, Iowa completed the year, its governmental funds reported a combined fund balance of \$769,419, an increase of 95.4% from last year's total of \$393,810. The following are the major reasons for the changes in fund balances of the major funds from the prior year.

- The General Fund cash balance increased \$613,179 from the prior year to \$73,242 due to an increase in transfers in during the current year.
- The Other TIF fund cash balance decreased \$62,674 from the prior year primarily due to an increase in transfers out.
- The Employee Benefits cash balance increased \$14,461 from the prior year to \$248,388 due to an increase in receipts in the current year.
- The Friends of the Bloomfield Library Fund cash balance increased \$24,401 from the prior year to \$180,003 due to a decrease in receipts compared to the prior year (prior year increase was \$33,753).
- The Water and Sewer CDBG Fund cash balance decreased \$159,679 from prior year to \$0 due to the completion of the project.

## INDIVIDUAL MAJOR BUSINESS TYPE FUND ANALYSIS

- The Water Fund cash balance increased \$169,860 to \$445,375 due to an increase in charges for service.
- The Sewer Fund cash balance increased \$113,439 to \$591,715 due to an increase in charges for service.
- The Electric Fund cash balance increased \$284,439 to \$982,796 due to an increase in charges for service.
- The Gas Fund cash balance decreased \$77,518 to \$758,420 due to a decrease in charges for service.

## BUDGETARY HIGHLIGHTS

During the year ended June 30, 2012, the City amended its budget once resulting in an increase in budgeted expenditures of \$917,405. Even with the budget amendment, disbursements exceeded the amount budgeted in the general government function.

## DEBT ADMINISTRATION

At June 30, 2012 the City had \$0 in bonds and other long-term debt, compared to \$145,000 last year, as shown below.

### Outstanding Debt at Year End

	Year ending June 30,	
	2012	2011
Revenue notes	\$ <u>      </u> -	\$ <u>145,000</u>

The Constitution of the State of Iowa limits the amount of general obligation debt cities can issue to 5% of the assessed value of all taxable property within the City's corporate limits. At June 30, 2012, the City had no general obligation debt outstanding and its constitutional debt limit was \$2,453,190.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City of Bloomfield, Iowa's elected and appointed officials and citizens considered many factors when setting the fiscal year 2013 budget, tax rates and fees charged for various City activities. One of those factors is the economy. Unemployment in the county now stands at 5.5% (October 2012) versus 6.4% a year ago. This compares with the State's unemployment rate of 5.1% and the national rate of 7.5%.

Inflation in the Midwest is somewhat lower than the national Consumer Price Index. The Midwest had a CPI increase of 4.637% for fiscal year 2012 compared with the national increase of 4.896%. Inflation has increased in part due to the state of the economy.

These indicators were taken into account when adopting the budget for fiscal year 2013. Amounts available for expenditure in FY 2013 are expected to decrease \$327,187 compared to the final FY 2012 budget. Expenditures in the FY 2013 budget are expected to decrease \$344,982 compared to the final FY 2012 budget. As a result of the above receipts and expenditures, the ending cash balance is expected to increase \$228,012 by the end of FY 2013.

## CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Carol Taylor, City Clerk, 111 West Franklin, Bloomfield, Iowa 52537.

## BASIC FINANCIAL STATEMENTS

CITY OF BLOOMFIELD, IOWA

STATEMENT OF ACTIVITIES AND NET ASSETS - CASH BASIS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

Functions/Programs			Program Receipts	
			Operating Grants, Contributions and Restricted Interest	Capital Grants, Contributions and Restricted Interest
	<u>Disbursements</u>	<u>Charges for Service</u>		
Governmental activities:				
Public safety	\$ 705,974	\$ 15,218	\$ 20,936	\$ -
Public works	867,334	196,021	621,042	100,425
Culture and recreation	360,449	59,212	84,625	54,135
Community and economic development	117,653	36,750	61,347	103,654
General government	146,189	38,411	-	-
Capital projects	459,915	-	-	-
Total governmental activities	<u>2,657,514</u>	<u>345,612</u>	<u>787,950</u>	<u>258,214</u>
Business type activities:				
Water	738,975	855,810	-	-
Sewer	328,807	555,957	-	-
Electric	2,956,466	3,255,401	-	-
Gas	805,516	894,332	-	-
Total business type activities	<u>4,829,764</u>	<u>5,561,500</u>	<u>-</u>	<u>-</u>
Total	\$ <u>7,487,278</u>	\$ <u>5,907,112</u>	\$ <u>787,950</u>	\$ <u>258,214</u>

General receipts and transfers:

Property tax levied for:  
    General purposes  
Tax increment financing  
Local option sales tax  
Unrestricted interest on investments  
Miscellaneous  
Transfers

Total general receipts and transfers

Change in cash basis net assets

Cash basis net assets beginning of year

Cash basis net assets end of year

Cash Basis Net Assets

Restricted:  
    Nonexpendable  
Expendable:  
    Streets  
    Urban renewal purposes  
    Other purposes  
Unrestricted

Total cash basis net assets

Net (Disbursements) Receipts and  
Changes in Cash Basis Net Assets

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Governmental Activities	Business Type Activities	Total
\$ (669,820)	\$ -	\$ (669,820)
50,154	-	50,154
(162,477)	-	(162,477)
84,098	-	84,098
(107,778)	-	(107,778)
(459,915)	-	(459,915)
<u>(1,265,738)</u>	<u>-</u>	<u>(1,265,738)</u>
-	116,835	116,835
-	227,150	227,150
-	298,935	298,935
-	88,816	88,816
-	<u>731,736</u>	<u>731,736</u>
<u>(1,265,738)</u>	<u>731,736</u>	<u>(534,002)</u>
766,138	-	766,138
349,999	-	349,999
193,214	-	193,214
2,444	17,373	19,817
13,707	56,956	70,663
<u>315,845</u>	<u>(315,845)</u>	<u>-</u>
<u>1,641,347</u>	<u>(241,516)</u>	<u>1,399,831</u>
375,609	490,220	865,829
<u>393,810</u>	<u>2,288,086</u>	<u>2,681,896</u>
\$ <u>769,419</u>	\$ <u>2,778,306</u>	\$ <u>3,547,725</u>
\$ 125,115	\$ -	\$ 125,115
19,108	-	19,108
244	-	244
571,810	-	571,810
<u>53,142</u>	<u>2,778,306</u>	<u>2,831,448</u>
\$ <u>769,419</u>	\$ <u>2,778,306</u>	\$ <u>3,547,725</u>

## CITY OF BLOOMFIELD, IOWA

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN CASH BALANCES  
GOVERNMENTAL FUNDS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012**

	General	Other TIF	Special Revenue Employee Benefits	Friends of the Bloomfield Library	Capital Projects Water & Sewer CDBG	Other Non-Major Governmental Funds	Total
<b>RECEIPTS:</b>							
Property tax	\$ 463,978	\$ -	\$ 302,160	\$ -	\$ -	\$ -	\$ 766,138
Tax Increment financing	-	349,999	-	-	-	-	349,999
Other City tax	-	-	-	-	-	233,036	233,036
Licenses and permits	38,011	-	-	-	-	-	38,011
Use of money and property	7,407	-	-	2,863	-	1,589	11,859
Intergovernmental	419,244	-	-	-	100,425	397,621	917,290
Charges for service	278,377	-	-	-	-	-	278,377
Miscellaneous	38,297	-	-	23,836	-	58,935	121,068
Total receipts	<u>1,245,314</u>	<u>349,999</u>	<u>302,160</u>	<u>26,699</u>	<u>100,425</u>	<u>691,181</u>	<u>2,715,778</u>
<b>DISBURSEMENTS:</b>							
Operating:							
Public safety	516,407	-	189,567	-	-	-	705,974
Public works	572,392	-	38,285	-	-	256,657	867,334
Culture and recreation	314,380	-	42,597	2,298	-	1,174	360,449
Community and economic development	58,120	-	-	-	-	59,533	117,653
General government	111,308	17,633	17,250	-	-	-	146,189
Capital projects	-	-	-	-	285,989	173,926	459,915
Total disbursements	<u>1,572,605</u>	<u>17,633</u>	<u>287,699</u>	<u>2,298</u>	<u>285,989</u>	<u>491,290</u>	<u>2,657,514</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(327,291)</u>	<u>332,366</u>	<u>14,461</u>	<u>24,401</u>	<u>(185,564)</u>	<u>199,891</u>	<u>58,264</u>
Other financing sources (uses):							
Sale of capital assets	1,500	-	-	-	-	-	1,500
Transfers in	938,970	-	-	-	25,885	15,000	979,855
Transfers out	-	(395,040)	-	-	-	(268,970)	(664,010)
Total other financing sources (uses)	<u>940,470</u>	<u>(395,040)</u>	<u>-</u>	<u>-</u>	<u>25,885</u>	<u>(253,970)</u>	<u>317,345</u>
Net change in cash balances	613,179	(62,674)	14,461	24,401	(159,679)	(54,079)	375,809
<b>CASH BALANCES - Beginning of year</b>	<u>(539,937)</u>	<u>42,574</u>	<u>233,927</u>	<u>155,602</u>	<u>159,679</u>	<u>341,965</u>	<u>393,810</u>
<b>CASH BALANCES - End of year</b>	<u>\$ 73,242</u>	<u>\$ (20,100)</u>	<u>\$ 248,388</u>	<u>\$ 180,003</u>	<u>\$ -</u>	<u>\$ 287,886</u>	<u>\$ 769,419</u>
<b>Cash Basis Fund Balances</b>							
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,115	\$ 125,115
Restricted for:							
Urban renewal purposes	-	-	-	-	-	244	244
Streets	-	-	-	-	-	19,108	19,108
Other purposes	-	-	248,388	180,003	-	143,419	571,810
Unassigned	<u>73,242</u>	<u>(20,100)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,142</u>
Total cash basis fund balances	<u>\$ 73,242</u>	<u>\$ (20,100)</u>	<u>\$ 248,388</u>	<u>\$ 180,003</u>	<u>\$ -</u>	<u>\$ 287,886</u>	<u>\$ 769,419</u>

## CITY OF BLOOMFIELD, IOWA

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES  
PROPRIETARY FUNDS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

	<u>Enterprise Funds</u>				
	<u>Water</u>	<u>Sewer</u>	<u>Electric</u>	<u>Gas</u>	<u>Total</u>
<u>Operating receipts:</u>					
Charges for service	\$ <u>855,810</u>	\$ <u>555,957</u>	\$ <u>3,255,401</u>	\$ <u>894,332</u>	\$ <u>5,561,500</u>
<u>Operating disbursements:</u>					
Business type activities	<u>586,007</u>	<u>328,807</u>	<u>2,956,466</u>	<u>805,516</u>	<u>4,676,796</u>
Excess of operating receipts over operating disbursements	<u>269,803</u>	<u>227,150</u>	<u>298,935</u>	<u>88,816</u>	<u>884,704</u>
<u>Non-operating receipts (disbursements):</u>					
Interest on investments	2,375	2,363	6,385	6,250	17,373
Miscellaneous	18,062	7,366	15,112	10,916	51,456
Debt service	<u>(152,968)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(152,968)</u>
Total non-operating receipts (disbursements)	<u>(132,531)</u>	<u>9,729</u>	<u>21,497</u>	<u>17,166</u>	<u>(84,139)</u>
Excess of receipts over disbursements	<u>137,272</u>	<u>236,879</u>	<u>320,432</u>	<u>105,982</u>	<u>800,565</u>
<u>Other financing sources (uses):</u>					
Sale of capital assets	-	-	5,500	-	5,500
Transfers in	120,533	4,500	523,507	50,000	698,540
Transfers out	<u>(87,945)</u>	<u>(127,940)</u>	<u>(565,000)</u>	<u>(233,500)</u>	<u>(1,014,385)</u>
Total other financing sources (uses)	<u>32,588</u>	<u>(123,440)</u>	<u>(35,993)</u>	<u>(183,500)</u>	<u>(310,345)</u>
Net change in cash balances	169,860	113,439	284,439	(77,518)	490,220
<u>CASH BALANCES - Beginning of year</u>	<u>275,515</u>	<u>478,276</u>	<u>698,357</u>	<u>835,938</u>	<u>2,288,086</u>
<u>CASH BALANCES - End of year</u>	\$ <u>445,375</u>	\$ <u>591,715</u>	\$ <u>982,796</u>	\$ <u>758,420</u>	\$ <u>2,778,306</u>
<u>Cash Basis Fund Balances</u>					
Unrestricted	\$ <u>445,375</u>	\$ <u>591,715</u>	\$ <u>982,796</u>	\$ <u>758,420</u>	\$ <u>2,778,306</u>

## CITY OF BLOOMFIELD, IOWA

STATEMENT OF CHANGES IN CASH BALANCES  
FIDUCIARY FUNDS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

	Private Purpose Expendable Trusts				
	Avenue of Flags	Drug Awareness Resistance Education	Library Memorial	South Cemetery	Total
<u>Additions:</u>					
Use of money and property:					
Interest on investments	\$ -	\$ 8	\$ 9,500	\$ 125	\$ 9,633
Miscellaneous:					
Donations	-	749	30,522	-	31,271
Total additions	-	757	40,022	125	40,904
<u>Deductions:</u>					
Public safety	-	586	-	-	586
Culture and recreation	-	-	58,552	-	58,552
Net change in cash balances	-	171	(18,530)	125	(18,234)
<u>CASH BALANCES - Beginning of year</u>	<u>47</u>	<u>187</u>	<u>523,400</u>	<u>11,831</u>	<u>535,465</u>
<u>CASH BALANCES - End of year</u>	<u>\$ 47</u>	<u>\$ 358</u>	<u>\$ 504,870</u>	<u>\$ 11,956</u>	<u>\$ 517,231</u>
<u>CASH BASIS FUND BALANCES</u>					
Restricted for special purpose	\$ 47	\$ 358	\$ 504,870	\$ 11,956	\$ 517,231



CITY OF BLOOMFIELD, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Bloomfield, Iowa is a political subdivision of the State of Iowa located in Davis County. It was first incorporated in 1855 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The City provides numerous services to citizens, including public safety, public works, health and social services, culture and recreation, community and economic development, and general government services. The City also provides water, sewer, electric and gas utilities for its citizens.

A. Reporting Entity

For financial reporting purposes, the City of Bloomfield, Iowa has included all funds, organizations, agencies, boards, commissions and authorities. The City has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the City.

These financial statements present the City of Bloomfield, Iowa (the primary government) and its component unit. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

Blended Component Unit

The Friends of the Bloomfield Library was established as a non-profit corporation in accordance with Chapter 504A of the Code of Iowa. The Friends of the Bloomfield Library is legally separate from the City but is so intertwined with the City that it is, in substance, the same as the City. It is reported as part of the City and blended into the Special Revenue Funds. Although the Friends of the Bloomfield Library is legally separate from the City, its purpose is to benefit the City of Bloomfield, Iowa (the primary government) by soliciting contributions and managing those funds.

Joint Ventures

The City participates in the Mutchler Community Center Commission. The Commission was developed under a 28E agreement with Davis County for the construction, operation and maintenance of a community center.

Jointly Governed Organizations

The City participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. City officials are members of the following boards and commissions: Davis County Assessor's Conference Board, Davis County E-911 Joint Service Board and Davis County Emergency Management Commission. The City also participates in the Davis County Regional Service Agency, a jointly governed organization established pursuant to Chapter 28E of the Code of Iowa.

B. Basis of Presentation

Government-wide Financial Statement – The Statement of Activities and Net Assets - Cash Basis reports information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from this statement. Governmental activities, which are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

CITY OF BLOOMFIELD, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

The Statement of Activities and Net Assets presents the City's nonfiduciary net assets. Net assets are reported in the following categories/components:

*Nonexpendable restricted net assets* are subject to externally imposed stipulations which require them to be maintained permanently by the City, including the City's Permanent funds

*Expendable restricted net assets* result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net assets* consist of net assets not meeting the definition of the preceding categories. Unrestricted net assets often have constraints on resources imposed by management, which can be removed or modified.

The Statement of Activities and Net Assets - Cash Basis demonstrates the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those clearly identifiable with a specific function. Program receipts include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest on investments restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program receipts are reported instead as general receipts.

Fund Financial Statements - Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds even though the latter are excluded from the government-wide financial statement. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax receipts from general and emergency levies and other receipts not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating disbursements, the fixed charges and the capital improvement costs not paid from other funds.

Special Revenue - The Other TIF fund is used to account for the receipt of tax increment financing collections. The Employee Benefits Fund is used to account for property taxes levied to pay for a portion of the City's employee benefits. The Friends of the Bloomfield Library fund is used to account for donations and expenses paid for the benefit of the Bloomfield Library.

Capital Projects - The Water and Sewer CDBG fund is used to account for capital projects financed in part with CDBG funds.

The City reports the following major proprietary funds:

The Water Fund accounts for the operation and maintenance of the City's water system.

The Sewer Fund accounts for the operation and maintenance of the City's waste water treatment and sanitary sewer system.

The Electric Fund accounts for the operation and maintenance of the City's electric distribution system.

The Gas Fund accounts for the operation and maintenance of the City's gas distribution system.

CITY OF BLOOMFIELD, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

The City also reports fiduciary funds which focus on changes on cash basis net assets. The City's fiduciary funds include the following:

The Private Purpose Expendable Trust Funds are used to account for assets held by the City under trust agreements which require income earned to be used to benefit particular programs.

C. Measurement Focus and Basis of Accounting

The City of Bloomfield, Iowa maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general receipts. Thus, when program disbursements are paid, there are both restricted and unrestricted cash basis net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general receipts.

When a disbursement in governmental funds can be paid using either restricted or unrestricted resources, the City's policy is generally to first apply the disbursement toward restricted fund balance and then to less-restrictive classifications – committed, assigned and then unassigned fund balances.

The proprietary funds of the City applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

D. Governmental Cash Basis Fund Balances:

In the governmental fund financial statements, cash basis fund balances are classified as follows:

Nonspendable – Amounts which cannot be spent because they are legally or contractually required to be maintained intact.

Restricted – Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors, or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Assigned – Amounts the Council intends to use for specific purposes.

Unassigned – All amounts not included in other spendable classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Other Information.

CITY OF BLOOMFIELD, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 2: CASH AND POOLED INVESTMENTS

The City's deposits in banks at June 30, 2012 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The City is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City Council; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Interest rate risk – The City's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the City.

NOTE 3: PENSION AND RETIREMENT BENEFITS

The City contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Most regular plan members are required to contribute 5.38% of their annual covered salary and the City is required to contribute 8.07% of covered salary. Certain employees in special risk occupations and the City contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The City's contributions to IPERS for the years ended June 30, 2012, 2011 and 2010 were \$83,918, \$81,743, and \$74,843, respectively, equal to the required contributions for each year.

NOTE 4: COMPENSATED ABSENCES

City employees accumulate a limited amount of earned but unused vacation, compensatory time, casual hours and sick leave hours for subsequent use or for payment upon termination, retirement or death. These accumulations are not recognized as disbursements by the City until used or paid. The City's approximate liability for earned vacation, compensatory time, sick leave, and casual leave payments payable to employees at June 30, 2012, primarily relating to the General Fund, is as follows:

<u>Type of Benefit</u>	<u>Amount</u>
Vacation	\$ 33,088
Compensatory time	7,145
Sick leave	63,938
Casual leave	<u>6,754</u>
Total	\$ <u>110,905</u>

Sick leave is payable when used or, after an employment period of at least ten (10) years, upon termination, retirement or death.

This liability has been computed based on rates of pay in effect at June 30, 2012.

CITY OF BLOOMFIELD, IOWA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

NOTE 5: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description – The City operates a single-employer health benefit plan which provides medical/prescription drug benefits for retirees and their spouses. There are 24 active and 3 retired members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a full-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees.

Funding Policy – The contribution requirements of plan members are established and may be amended by the City. The City currently finances the retiree benefit plan on a pay-as-you-go basis. The most recent active member monthly premiums for the City and plan members are \$416 for single coverage and \$1,276 for family coverage. The same monthly premiums apply to retirees. For the year ended June 30, 2012, the City contributed \$215,527 and plan members eligible for benefits contributed \$50,736 to the plan.

CITY OF BLOOMFIELD, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 6: INTERFUND TRANSFERS

The detail of interfund transfers for the year ended June 30, 2012 is as follows:

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
General	Special Revenue:	
	Other TIF	\$ 5,000
	Hotel/Motel Tax	23,970
	Enterprise:	
	Water	75,000
	Sewer	65,000
	Electric	550,000
	Gas	<u>220,000</u>
		<u>938,970</u>
Special Revenue:	Enterprise:	
Spec Building	Electric	<u>15,000</u>
Enterprise:	Enterprise:	
Water	Gas	4,500
Sewer		4,500
Electric		<u>4,500</u>
		<u>13,500</u>
Enterprise:	Enterprise:	
Gas	Sewer	<u>50,000</u>
Capital Projects:	Enterprise:	
Water & Sewer CDBG	Water	12,945
	Sewer	<u>12,940</u>
		<u>25,885</u>
Enterprise:	Special Revenue:	
Water	Other TIF	<u>116,033</u>
Electric	Other TIF	<u>274,007</u>
Electric	Special Revenue:	
	Road Use Tax	45,000
	Local Option Sales Tax	<u>200,000</u>
		<u>245,000</u>
		\$ <u>1,678,395</u>

Transfers generally move resources from the fund statutorily required to collect the resources to the fund statutorily required to disburse the resources.

NOTE 7: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The City assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 8: DEFICIT BALANCES

The other TIF Fund had a deficit balance of \$20,100 at June 30, 2012. This deficit will be eliminated with future program receipts.

CITY OF BLOOMFIELD, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 9: HEALTH INSURANCE

The City has a group insurance policy which provides comprehensive medical coverage for eligible employees and, if elected, their spouses and dependents. The City's group insurance is a partially self-funded health plan. Under the self-funded plan, the City will reimburse eligible employee's for a portion of their deductibles as well as out-of-pocket expenses. The amount of the deductibles and out-of-pocket expenses for employees are as follows:

	<u>Deductible</u>	
	<u>Single</u>	<u>Family</u>
Employee	\$ 500	\$ 1,000
	<u>Out-of-Pocket</u>	
	<u>Single</u>	<u>Family</u>
Employee	\$ 1,500	\$ 3,000

The policy period is from January 1 to December 31. For the policy period the City has a maximum liability commitment of \$115,000. As of June 30, 2012 there is a remaining maximum liability commitment of \$51,838.

NOTE 10: CONSTRUCTION COMMITMENTS

During the year ended June 30, 2012, the City approved various construction contracts. Payments on the contracts will be made as the work on the projects is completed.

NOTE 11: COMMITMENTS AND CONTINGENCIES

On April 28, 2011, the City of Bloomfield, Iowa and Bloomfield Main Street, Inc. entered into an \$800,000 line of credit loan agreement with Success Bank for the payment of redevelopment and construction project costs. The line of credit is to provide access to funds to pay certain approved expenses of projects funded by an Iowa Jobs Main Street Program grant award in the amount of \$808,000. The grant will be used in part, to pay principal and interest payments on the loan. Advances are subject to a fixed interest rate of 6.0% and are due semi-annually in June and December. The loan balance at June 30, 2012 was \$595,625. In the event that Bloomfield Mainstreet, Inc. does not pay principal and interest payments when due, the City is obligated to make payment.

NOTE 12: RELATED PARTY TRANSACTIONS

The City had business transactions between the City and City officials totaling \$80 during the year ended June 30, 2012.

NOTE 13: SUBSEQUENT EVENTS

The City has evaluated subsequent events through March 11, 2013 the date statements were available to be issued.

Subsequent to June 30, 2012, the City has taken steps to pay the remaining portion of the loan with Success Bank as payments become due. The payments will be made from TIF collections.

## OTHER INFORMATION



CITY OF BLOOMFIELD, IOWA

BUDGETARY COMPARISON SCHEDULE  
OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN BALANCES -  
BUDGET AND ACTUAL (CASH BASIS) - ALL GOVERNMENTAL FUNDS AND PROPRIETARY FUNDS  
REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2012

	Governmental Funds <u>Actual</u>	Proprietary Funds <u>Actual</u>	Less Funds not Required to <u>be Budgeted</u>
<u>RECEIPTS:</u>			
Property tax	\$ 766,138	\$ -	\$ -
Tax increment financing	349,999	-	-
Other City tax	233,036	-	-
License and permits	38,011	-	-
Use of money and property	11,859	17,373	2,863
Intergovernmental	917,290	-	-
Charges for service	278,377	5,561,500	-
Miscellaneous	<u>121,068</u>	<u>51,456</u>	<u>23,836</u>
Total receipts	<u>2,715,778</u>	<u>5,630,329</u>	<u>26,699</u>
<u>DISBURSEMENTS:</u>			
Public safety	705,974	-	-
Public works	867,334	-	-
Culture and recreation	360,449	-	2,298
Community and economic development	117,653	-	-
General government	146,189	-	-
Capital projects	459,915	-	-
Business type activities	<u>-</u>	<u>4,829,764</u>	<u>-</u>
Total disbursements	<u>2,657,514</u>	<u>4,829,764</u>	<u>2,298</u>
Excess of receipts over disbursements	58,264	800,565	24,401
Other financing sources (uses), net	<u>317,345</u>	<u>(310,345)</u>	<u>-</u>
Excess of receipts and other financing sources over disbursements and other financing uses	375,609	490,220	24,401
<u>BALANCES</u> - Beginning of year	<u>393,810</u>	<u>2,288,086</u>	<u>155,602</u>
<u>BALANCES</u> - End of year	\$ <u>769,419</u>	\$ <u>2,778,306</u>	\$ <u>180,003</u>

<u>Total</u>	<u>Budgeted Amounts</u>		<u>Final to Total Variance</u>
	<u>Original</u>	<u>Final</u>	
\$ 766,138	\$ 748,094	\$ 748,311	\$ 17,827
349,999	409,385	409,385	(59,386)
233,036	230,217	233,000	36
38,011	38,025	38,025	(14)
26,369	57,028	16,565	9,804
917,290	1,682,300	1,811,686	(894,396)
5,839,877	5,786,310	5,743,910	95,967
148,688	35,010	143,210	5,478
<u>8,319,408</u>	<u>8,986,369</u>	<u>9,144,092</u>	<u>(824,684)</u>
705,974	697,916	720,821	14,847
867,334	1,996,940	1,252,490	385,156
358,151	341,246	374,646	16,495
117,653	67,990	142,940	25,287
146,189	142,013	139,013	(7,176)
459,915	13,500	632,000	172,085
4,829,764	4,756,865	5,671,965	842,201
<u>7,484,980</u>	<u>8,016,470</u>	<u>8,933,875</u>	<u>1,448,895</u>
834,428	969,899	210,217	624,211
<u>7,000</u>	<u>-</u>	<u>-</u>	<u>7,000</u>
841,428	969,899	210,217	631,211
<u>2,526,294</u>	<u>2,660,248</u>	<u>3,061,756</u>	<u>(535,462)</u>
\$ <u>3,367,722</u>	\$ <u>3,630,147</u>	\$ <u>3,271,973</u>	\$ <u>95,749</u>

CITY OF BLOOMFIELD, IOWA

NOTES TO OTHER INFORMATION – BUDGETARY REPORTING

JUNE 30, 2012

The budgetary comparison is presented in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds except Fiduciary Funds. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects and business type activities. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund, the Capital Projects Funds, the Permanent Funds and Enterprise Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year, one budget amendment increased budgeted disbursements by \$917,405. The budget amendment is reflected in the final budgeted amounts.

During the year ended June 30, 2012, disbursements exceeded the amounts budgeted in the general government function.

## SUPPLEMENTARY INFORMATION

## CITY OF BLOOMFIELD, IOWA

SCHEDULE OF CASH RECEIPTS, DISBURSEMENTS  
AND CHANGES IN CASH BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

	Special Revenue					
	Local Option	Road	Chevron Tax Increment	Farm to	Local Housing Assistance	Hotel/ Motel Tax
	<u>Sales Tax</u>	<u>Use Tax</u>	<u>Financing</u>	<u>Market</u>	<u>Program</u>	<u>Motel Tax</u>
<b>RECEIPTS:</b>						
Other City tax	\$ 193,214	\$ -	\$ -	\$ -	\$ -	\$ 39,822
Use of money and property	-	-	-	-	-	-
Intergovernmental	-	250,407	-	6,850	-	-
Miscellaneous	-	-	-	-	-	-
Total receipts	<u>193,214</u>	<u>250,407</u>	<u>-</u>	<u>6,850</u>	<u>-</u>	<u>39,822</u>
<b>DISBURSEMENTS:</b>						
Operating:						
Public works	-	188,203	-	68,454	-	-
Culture and recreation	-	-	-	-	-	-
Community and economic development	-	-	-	-	4,800	7,885
Capital projects	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>188,203</u>	<u>-</u>	<u>68,454</u>	<u>4,800</u>	<u>7,885</u>
Excess (deficiency) of receipts over (under) disbursements	<u>193,214</u>	<u>62,204</u>	<u>-</u>	<u>(61,604)</u>	<u>(4,800)</u>	<u>31,937</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	<u>(200,000)</u>	<u>(45,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,970)</u>
Total other financing sources (uses)	<u>(200,000)</u>	<u>(45,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,970)</u>
Net change in cash balances	(6,786)	17,204	-	(61,604)	(4,800)	7,967
<b>CASH BALANCES - Beginning of year</b>	<u>25,955</u>	<u>1,904</u>	<u>244</u>	<u>96,229</u>	<u>5,948</u>	<u>39,288</u>
<b>CASH BALANCES - End of year</b>	<u>\$ 19,169</u>	<u>\$ 19,108</u>	<u>\$ 244</u>	<u>\$ 34,625</u>	<u>\$ 1,148</u>	<u>\$ 47,255</u>
<b>Cash Basis Fund Balances</b>						
Nonspendable:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for:						
Urban renewal	-	-	244	-	-	-
Streets	-	19,108	-	-	-	-
Other purposes	<u>19,169</u>	<u>-</u>	<u>-</u>	<u>34,625</u>	<u>1,148</u>	<u>47,255</u>
	<u>\$ 19,169</u>	<u>\$ 19,108</u>	<u>\$ 244</u>	<u>\$ 34,625</u>	<u>\$ 1,148</u>	<u>\$ 47,255</u>

SCHEDULE 1

Capital Projects						Permanent		Total
Spec		Park	Lake	Library	CDBG Downtown	IOOF Cemetery Perpetual	Library	
<u>Building</u>	<u>Mainstreet</u>	<u>Improvements</u>	<u>Project</u>	<u>Building</u>	<u>Revitalization</u>	<u>Care</u>	<u>Bequest</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 233,036
-	-	-	-	-	-	1,524	65	1,589
-	20,000	16,710	-	-	103,654	-	-	397,621
-	-	-	-	54,135	-	4,800	-	58,935
-	20,000	16,710	-	54,135	103,654	6,324	65	691,181
-	-	-	-	-	-	-	-	256,657
-	-	-	-	-	-	1,174	-	1,174
14,938	20,000	11,910	-	-	-	-	-	59,533
-	-	-	-	54,135	119,791	-	-	173,926
14,938	20,000	11,910	-	54,135	119,791	1,174	-	491,290
(14,938)	-	4,800	-	-	(16,137)	5,150	65	199,891
15,000	-	-	-	-	-	-	-	15,000
-	-	-	-	-	-	-	-	(268,970)
15,000	-	-	-	-	-	-	-	(253,970)
62	-	4,800	-	-	(16,137)	5,150	65	(54,079)
-	11	872	30,000	-	16,137	119,965	5,412	341,965
\$ 62	\$ 11	\$ 5,672	\$ 30,000	\$ -	\$ -	\$ 125,115	\$ 5,477	\$ 287,886
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,115	\$ -	\$ 125,115
-	-	-	-	-	-	-	-	244
-	-	-	-	-	-	-	-	19,108
62	11	5,672	30,000	-	-	-	5,477	143,419
\$ 62	\$ 11	\$ 5,672	\$ 30,000	\$ -	\$ -	\$ 125,115	\$ 5,477	\$ 287,886

CITY OF BLOOMFIELD, IOWA  
SCHEDULE OF INDEBTEDNESS  
YEAR ENDED JUNE 30, 2012

<u>Obligation</u>	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Amount Originally Issued</u>
Revenue notes:			
Water revenue refunding capital loan notes	May 1, 2001	5.15%	\$ <u>1,265,000</u>

SCHEDULE 2

<u>Balance</u> <u>Beginning</u> <u>of Year</u>	<u>Issued</u> <u>During</u> <u>Year</u>	<u>Redeemed/</u> <u>Cancelled</u> <u>During</u> <u>Year</u>	<u>Balance</u> <u>End</u> <u>of Year</u>	<u>Interest</u> <u>Paid</u>	<u>Interest</u> <u>Due and</u> <u>Unpaid</u>
\$ <u>145,000</u>	\$ <u>-</u>	\$ <u>145,000</u>	\$ <u>-</u>	\$ <u>3,734</u>	\$ <u>-</u>



CITY OF BLOOMFIELD, IOWA

SCHEDULE OF RECEIPTS BY SOURCE AND DISBURSEMENTS BY FUNCTION  
ALL GOVERNMENTAL FUNDS

FOR THE LAST TEN YEARS

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>RECEIPTS:</u>				
Property tax	\$ 766,138	\$ 742,459	\$ 687,520	\$ 670,808
Tax increment financing	349,999	331,049	341,642	337,333
Other City tax	233,036	226,184	264,442	260,230
Licenses and permits	38,011	29,456	38,537	39,893
Use of money and property	11,859	20,014	16,337	34,472
Intergovernmental	917,290	764,773	597,863	322,455
Charges for service	278,377	277,143	296,742	299,455
Miscellaneous	121,068	176,536	87,598	186,714
Total	\$ <u>2,715,778</u>	\$ <u>2,567,614</u>	\$ <u>2,330,681</u>	\$ <u>2,151,360</u>
<u>DISBURSEMENTS:</u>				
Operating:				
Public safety	\$ 705,974	\$ 700,429	\$ 911,793	\$ 813,615
Public works	867,334	686,137	601,284	669,967
Culture and recreation	360,449	399,727	367,633	413,019
Community and economic development	117,653	207,620	137,729	282,121
General government	146,189	117,912	134,076	126,002
Debt service	-	-	-	-
Capital projects	459,915	1,301,895	2,028,762	901,765
Total	\$ <u>2,657,514</u>	\$ <u>3,413,720</u>	\$ <u>4,181,277</u>	\$ <u>3,206,489</u>

SCHEDULE 3

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 648,956	\$ 648,869	\$ 677,166	\$ 700,028	\$ 687,854	\$ 601,513
229,279	195,389	48,809	72,923	128,446	123,729
222,356	214,790	207,427	202,659	120,634	17,100
6,383	34,314	37,308	5,715	4,677	5,935
86,602	75,362	63,639	54,844	55,716	56,231
704,311	344,541	453,287	847,035	465,412	435,292
250,983	248,742	261,650	266,904	240,094	240,822
149,039	188,282	63,940	50,232	79,656	193,619
<u>\$ 2,297,909</u>	<u>\$ 1,950,289</u>	<u>\$ 1,813,226</u>	<u>\$ 2,200,340</u>	<u>\$ 1,782,489</u>	<u>\$ 1,674,241</u>
\$ 712,514	\$ 566,472	\$ 571,870	\$ 535,694	\$ 545,478	\$ 565,348
747,352	924,508	477,861	520,585	737,083	467,857
290,368	262,538	307,765	262,042	268,797	327,575
202,406	206,898	95,360	471,511	176,650	394,594
106,464	112,061	104,437	104,241	117,787	115,138
-	-	-	-	258,414	55,846
117,499	27,720	2,356,824	819,655	-	-
<u>\$ 2,176,603</u>	<u>\$ 2,100,197</u>	<u>\$ 3,914,117</u>	<u>\$ 2,713,728</u>	<u>\$ 2,104,209</u>	<u>\$ 1,926,358</u>

## CITY OF BLOOMFIELD, IOWA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2012

<u>Grantor/Program</u>	<u>CFDA Number</u>	<u>Agency Pass-through Number</u>	<u>Program Expenditures</u>
Direct:			
U.S. Federal Aviation Administration:			
Airport Improvement Program	20.106	3-19-0008-04-2010	\$ 23,103
Airport Improvement Program	20.106	3-19-0008-06-2010	197,460
			<u>220,563</u>
Indirect:			
Department of Transportation:			
State and Community Highway Safety	20.600	PAP 12-03, Task 114	<u>895</u>
U.S. Department of Housing and Urban Development:			
Iowa Department of Economic Development:			
Community Development Block Grants/State's Program and Non-entitlement Grants in Hawaii	14.228	09-DTR-005	280,298
Community Development Block Grants/State's Program and Non-entitlement Grants in Hawaii	14.228	09-WS-006	67,945
			<u>348,243</u>
			\$ <u>569,701</u>

Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Bloomfield, Iowa and is presented in conformity with an other comprehensive basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and  
Members of the City Council

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Bloomfield, Iowa, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements listed in the table of contents and have issued our report thereon dated March 11, 2013. Our report expressed unqualified opinions on the financial statements which were prepared in conformity with an other comprehensive basis of accounting. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

The management of the City of Bloomfield, Iowa is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Bloomfield, Iowa's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Bloomfield, Iowa's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Bloomfield, Iowa's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting we consider to be material weaknesses and other deficiencies we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of the City of Bloomfield, Iowa's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in Part II of the accompanying Schedule of Findings and Questioned Costs as item II-A-12 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in Part II of the accompanying Schedule of Findings and Questioned Costs as items II-B-12 and II-C-12 to be significant deficiencies.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Bloomfield, Iowa's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2012 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

The City of Bloomfield, Iowa's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the City's responses, we did not audit the City of Bloomfield, Iowa's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of the City of Bloomfield, Iowa and other parties to whom the City of Bloomfield, Iowa may report including federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the City of Bloomfield, Iowa during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

ANDERSON, LARKIN & CO. P.C.

Ottumwa, Iowa  
March 11, 2013

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT  
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Honorable Mayor and  
Members of the City Council:

Compliance

We have audited the City of Bloomfield, Iowa's compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on the City of Bloomfield, Iowa's major federal program for the year ended June 30, 2012. The City of Bloomfield, Iowa's major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grant agreements applicable to its major federal program is the responsibility of the City of Bloomfield, Iowa's management. Our responsibility is to express an opinion on the City of Bloomfield, Iowa's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Bloomfield, Iowa's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Bloomfield, Iowa's compliance with those requirements.

In our opinion, the City of Bloomfield, Iowa complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2012.

Internal Control over Compliance

The management of the City of Bloomfield, Iowa, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered the City of Bloomfield, Iowa's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Bloomfield, Iowa's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as discussed below, we identified a deficiency in internal control over compliance we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct non-compliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item III-A-12 to be a material weakness.

The City of Bloomfield, Iowa's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the City's responses, we did not audit the City of Bloomfield, Iowa's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of the City of Bloomfield, Iowa and other parties to whom the City of Bloomfield, Iowa may report, including federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

ANDERSON, LARKIN & CO. P.C.

Bloomfield, Iowa  
March 11, 2013

CITY OF BLOOMFIELD, IOWA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2012

Part I: Summary of the Independent Auditor's Results

- a) Unqualified opinions were issued on the financial statements which were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.
- b) Significant deficiencies and material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- c) The audit did not disclose any non-compliance which is material to the financial statements.
- d) A material weakness in internal control over the major program was disclosed by the audit of the financial statements.
- e) An unqualified opinion was issued on compliance with requirements applicable to the major program.
- f) The audit disclosed audit findings which are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- g) The major program was CFDA Number 14.228 – Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii.
- h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- i) The City of Bloomfield, Iowa did not qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements

Internal Control Deficiencies:

- II-A-12 Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. Cash is received and recorded by the same person.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the City should review its control procedures to obtain the maximum internal control possible under the circumstances, utilizing currently available staff, including elected officials.

Response – We will consider this.

Conclusion – Response acknowledged. The City should segregate duties to the extent possible with existing personnel and utilize administrative personnel to provide additional control through review of financial transactions and reports.

- II-B-12 Reconciliation of Utility Billings, Collections and Delinquent Accounts – Utility billings, collections and delinquent accounts were not reconciled throughout the year.

Recommendation – Procedures should be established to reconcile utility billings, collections and delinquent accounts for each billing period. The City Council or a Council-designated independent person should review the reconciliations and monitor delinquencies.

Response – We will consider this.

Conclusion – Response accepted.



CITY OF BLOOMFIELD, IOWA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2012

Part II: Findings Related to the Financial Statements (Continued)

II-C-12 Payroll Approval – During the course of the audit, it was determined that no one approves the time worked by the City's librarian.

Recommendation – The City should consider approving the librarian's hours worked prior to payment.

Response – We will consider this.

Conclusion – Response accepted.

Instances of Noncompliance:

No matters were noted.

Part III: Findings and Questioned Costs For Federal Awards:

Instances of Noncompliance:

No matters were noted.

Internal Control Deficiencies:

CFDA Number 14.228: Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii.

Pass-through Agency Number: 09-WS-006 and 09-DTR-005

Federal Award Year: 2009

U.S. Department of Housing and Urban Development

Passed through the Iowa Department of Economic Development

III-A-12 Segregation of Duties over Federal Receipts – The City did not properly segregate collection, deposit and record-keeping for receipts, including those related to federal programs. See item II-A-12.

Part IV: Other Findings Related to Required Statutory Reporting

IV-A-12 Certified Budget – Disbursements during the year ended June 30, 2012 exceeded the amounts budgeted in the general government function. Chapter 384.20 of the Code of Iowa states, in part, "Public monies may not be expended or encumbered except under an annual or continuing appropriation.

Recommendation – The budget should have been amended in accordance with Chapter 384.18 of the Code of Iowa before disbursements were allowed to exceed the budget.

Response – The budget will be amended in the future, if applicable.

Conclusion – Response accepted.

IV-B-12 Questionable Disbursements – No disbursements were noted that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

IV-C-12 Travel Expense – No disbursements of City money for travel expenses of spouses of City officials or employees were noted.

IV-D-12 Business Transactions – Business transactions between the City and City officials or employees are detailed as follows:

<u>Name, Title and Business Connection</u>	<u>Transaction Description</u>	<u>Amount</u>
Chris Miller, Mayor, Owner Miller's Lawn Service	Lawn Mowing	\$80

In accordance with Chapter 362.5(3)(j) of the Code of Iowa, the transactions with Chris Miller do not appear to represent conflicts of interest since the total transactions were less than \$1,500 during the fiscal year.

IV-E-12 Bond Coverage – Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.

CITY OF BLOOMFIELD, IOWA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2012

Part IV: Other Findings Related to Required Statutory Reporting (Continued)

IV-F-12 Council Minutes – No transactions were found that we believe should have been approved in the Council minutes but were not. However, in accordance with the Code of Iowa, minutes are required to be published within two weeks of the Council meeting. The minutes for the meeting held January 25, 2012, were not published within two weeks of the Council meeting.

Recommendation – The Council should ensure all minutes are published to comply with the Code of Iowa.

Response – We will do so from now on.

Conclusion – Response accepted.

IV-G-12 Deposits and Investments – An instance of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the City's investments policy was noted. The City does not have public funds custodial agreements with all of the financial institutions the City does business with as required by Chapter 128.10C of the Code of Iowa.

Recommendation – The City should obtain public funds custodial agreements for all of the City's depositories.

Response – We will do so.

Conclusion – Response accepted.

IV-H-12 Financial Condition – The other TIF fund had a deficit balance at June 30, 2012.

Recommendation – The City should investigate alternatives to eliminate this deficit in order to return the fund to a sound financial position.

Response – We will review our budgeting and financial management procedures. The deficit will be eliminated with future receipts.

Conclusion – Response acknowledged.

IV-I-12 Revenue Bonds and Notes – No instances of non-compliance with revenue bond and note resolutions were noted.

IV-J-12 Published Salaries – The Code of Iowa requires that annually salaries of all City employees be published. Although published as required, one city employee was not included in the publication.

Recommendation – The City should comply with the Code of Iowa.

Response – We will do so from now on.

Conclusion – Response accepted.